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Gerber Scientific, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instruction). And our first question will come from Jim Ricchiuti with Needham & Company.

Jim Ricchiuti

Thank you. Just question to start with on the ion, you seem to have a pretty good step up in volume that you are anticipating in terms of shipments in Q2, can you give us some comfort as to how you get there I mean, it sounds like, the ramp up has not been quite as significant as you expected. What were some of the obstacles you faced and what gives you the confidence you're going to be able to ramp up, maybe you can give us some sense as to where you are right now in terms of production?

Marc T. Giles

Sure, excuse me Jim. The ramp up was slower in the first part of the quarter than we expected. We expected that in the July we would be at a much higher point than we were actually in the early part of July, but it was the back part of July where our ramp up really started to take off, so it was a pretty, was kind of a happy step looking quarter and we have been able to maintain that kind of production rate in so far in Q2, through this month so we have done another, I don't know the exact number but somewhere between 20 and 30 shipments this month. Further it has been accelerating pretty nice there, issues in the first part of the quarter are more getting vendors and quality relationships aligned so that we have the components coming in here that we assemble up meaning our quality requirements and ready to go. I mean, there was some other issues personal training and so for profits documentation that had to be modified based on earnings during the quarter, the biggest piece of just working with our grid vendors to make sure that the components that come in that the quality requirements necessary for the machine and so we had some delays in making that happen, that seems to be mostly behind us now, we continue to work with vendors to make sure that we have adequate supply of quality components but not in an unusual level.

So, I expect that will see continued ramp up over the course of the next couple of months to achieve our ultimate target of about capacity of 20 production units per week, hopefully by the end of the quarter although that's not built into our forecast but we will be moving in that direction.

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